

Apple II



Tax Planner™

Reference Manual



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10260 Bandley Drive
Cupertino, California 95014
(408) 996-1010

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*** NOTICE ***

This manual describes the use of the TAX PLANNER, Version 1.0. While the tax computations and tax tables used in Version 1.0 of TAX PLANNER are believed to be correct and in agreement with the Internal Revenue provisions applicable to federal personal income taxation as of July 15, 1980, Apple Computer Inc. cannot and does not warrant TAX PLANNER. The applicable tax rates, tables, and laws are subject to revision by Congress and interpretation by the IRS and by the courts. Accordingly, you are encouraged to seek further information from the IRS or from your tax advisor on matters of interpretation of current tax laws and regulations.

CHAPTER 1

INTRODUCTION

The Tax Planner is a computer program that will help you in planning for your Federal personal income tax. You can use it to evaluate the tax consequences of financial events and actions which may apply to you. Note that the Tax Planner is not an actual tax preparation program, but a very effective tool for tax planning.

The Tax Planner operates with the Apple II computer and the Apple Disk II drive. It is a complete, self-starting program on diskette. Two identical copies of the diskette are supplied; you should label one as your backup copy and keep it in a safe place.

The Tax Planner program and the Apple computer will enable you to create Federal personal income tax planning "scenarios". A tax planning scenario is like the script of a play. First, you enter the elements of one or more tax years. You can then see the tax results of each scenario--the happy or sad ending. By using these scenarios, you can make estimates of present and future tax liabilities and see the effects of income changes in this year or in future years. The complex task of computing the tax under the different optional methods is done by the computer.

Using the Tax Planner, you can:

- immediately see the effects of income changes,
- save your tax scenarios on the diskette,
- retrieve the scenarios for further changes or for review, and
- print your scenarios for permanent files or for discussion with others.

Scenarios may be saved on the Tax Planner diskette and cannot be copied to other diskettes. If you have a printer, you can make permanent printed copies of the tax scenarios. You can not make copies of the Tax Planner program itself.

SYSTEM REQUIREMENTS

Tax Planner runs on an Apple II or Apple II Plus computer with 48K of memory and one or more disk drives. The disk controller card must be set up for 16-sector diskettes; if your Apple II has a language system or DOS 3.3, it is set up to run Tax Planner. A printer may be used to save permanent copies of the tax scenarios. The printer interface card must be installed in slot #1 of the Apple II in order to work with the Tax Planner. More details about setting up your Apple II to run Tax Planner are given in Appendix C.

HOW TO USE THIS MANUAL

The Tax Planner program can save you hours of repetitive alternative tax computations. You do not have to be proficient in programming nor do you have to know any computer languages.

All you need to know to start using the Tax Planner is how to start the computer and how to use the disk drives. If your Disk II drive hasn't already been installed, you'll need to read the first chapter of the DOS Manual, "Installation and Handling".

Chapter 2 of this manual contains several tax scenario examples. You can learn to use the Tax Planner by actually performing the examples as you go through the chapter.

Chapter 3 explains in detail each of the options available with Tax Planner.

Appendix A lists, by topic, several Internal Revenue Service (IRS) forms and publications that may be helpful when you do your tax planning. Some relevant IRS publications that can help you determine the classification of items of income and expense are listed in this appendix.

Appendix B gives the formulas for the algorithms that the Tax Planner uses to compute Federal personal income tax.

Appendix C is a summary of what you need to set up your Apple II. It also lists the Apple manuals that can give you additional information about the Apple II if you need it.

Two special symbols are used throughout this manual to draw your attention to particular items of information.



The pointing hand indicates something particularly interesting or useful.



The eye is used to indicate things you need to be careful about.

CHAPTER 2

USING THE TAX PLANNER

This chapter gives some practice examples which you can do yourself. By doing these examples you can learn to use the Tax Planner program easily and quickly. The program was designed to let you make many changes and try different data, so feel free to experiment during the practice examples. As long as you are careful not to press the RESET key, you will not damage anything or lose any data if you accidentally press a wrong key: the Tax Planner simply ignores inappropriate keystrokes. Pressing the RESET key will cause the Apple II to re-start the Tax Planner, and whatever you were working on will be lost. If you enter incorrect information, you will, of course, get incorrect results. If you make a mistake, the Tax Planner program allows you to correct it before you continue. Also, you can always escape at any point and start over.

As you go through the examples, you may want to know more about a particular item. You will find a detailed description of each step of the Tax Planner program in the References chapter. Also, there is a command called the Help command that causes the Tax Planner to display information about each of the different items.

Since you can't copy the Tax Planner diskette, we have given you two diskettes with the Tax Planner on them. You should put one of them away in a place where it is safe from dust, heat, and magnetic fields. That way, if anything happens to the diskette you are using, you can use the other one. If a diskette becomes unreadable on your computer, it may still be possible to salvage the data it contains. Your dealer will be able to help you.

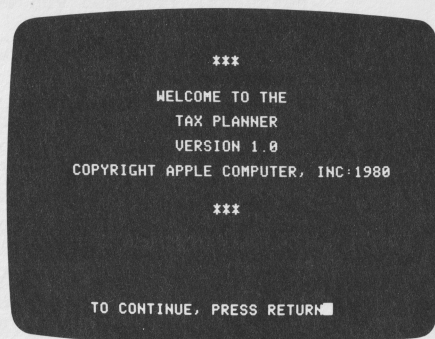
STARTING UP

This manual assumes that your Apple II is properly set up and operating. Appendix C gives the correct procedures for setting up the Apple II.

Start the Tax Planner program by doing the following:

- 1) Place the Tax Planner diskette you are going to use in disk drive #1. To do this, hold the diskette in your right hand with your thumb over the label, insert it into the slot, and close the disk drive door. If the diskette is inserted correctly, it will be easy to close the door.

2) Turn on the power with the switch on the rear of the Apple II. The red IN USE light on the disk drive will come on and the drive will make whirring noises. The Tax Planner program will be loaded and the screen will show:



The Tax Planner is now ready to use.

If the welcome message above did not appear, first make sure that you have inserted the diskette correctly and that the Apple II and the video monitor are getting power, then repeat the steps listed above. If the message still does not appear, refer to the DOS Manual.

SOME PRACTICE EXAMPLES

So that you can learn how to use the Tax Planner, we are going to create some scenarios just as if you were planning tax strategies. The first practice scenario will be about an imaginary person named Smythe and you will fill in the details of the tax scenario as you proceed through the example.

Our imaginary Smythe is single and claims only one exemption. In prior years, Smythe had the following base period income, as defined by IRS Form 1040 Schedule G "Income Averaging":

\$34000 in 1979,
\$26000 in 1978,
\$ 8000 in 1977, and
\$22000 in 1976.

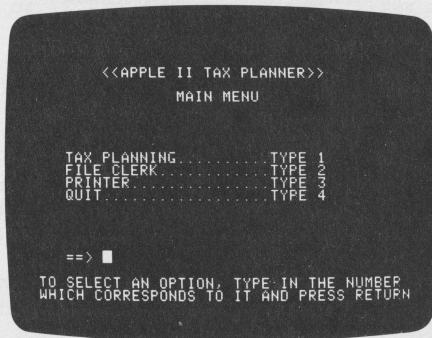
Smythe owns a home and has income mainly from salary. His salary will be \$40,000 during 1980 and he will receive about \$500 in interest and other miscellaneous income. Smythe will put \$1500 into an IRA (adjustment to income). He will deduct \$7200 for interest, contributions, et cetera, and he will deduct \$4800 for medical and

dental expenses, taxes, and casualty or theft losses. Smythe will have a tax credit of \$250 for insulation and solar energy installation.

Tax Planner enables you to compute your tax using as many as nine different strategies, so that you can compare them and decide which strategy is best for you. In our example, Smythe owns a block of ABC stock that can be sold early in the base year (1980) for a short-term capital gain of \$20,000 and a block of XYZ stock that can be sold for a long-term capital gain of \$10,000. The first alternative strategy for tax-planning purposes is to sell the ABC stock now. If the ABC stock is held until later in the base year, the sale will be a long-term capital gain. The second alternative in this scenario will consider the effect of selling the ABC stock later in the year, assuming no further price drop. The third alternative is to sell the XYZ stock instead. If Smythe sells his XYZ stock now, his long-term capital gain will be \$10,000. The Tax Planner can help Smythe compute the tax consequences of these alternatives.

USING THE MENUS

At several stages of the program, the Tax Planner will display a list of available choices, called a menu. For example, when you press the RETURN key as instructed by the welcoming message, the screen will show:



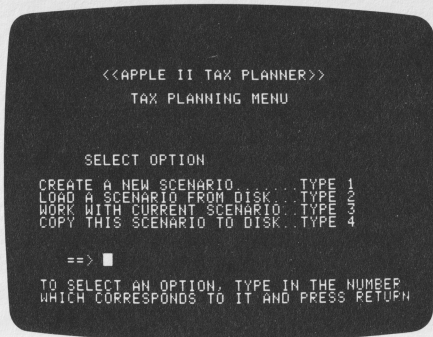
The Main Menu lists the four activities available in the program: tax planning, file clerk, printer, or quit. While you are using the Tax Planner, you can return to the Main Menu any time you wish just by pressing the ESC key. From the Main Menu, you select the activity you want to perform by pressing the corresponding number key.

Since this is your first use of Tax Planner, there are no scenarios for the file clerk to manage, and there is nothing to print. The only realistic choice from the Main Menu is tax planning. Type

1

When you press the number, the name of the corresponding option, such as Tax Planning, appears on the screen immediately, but nothing else happens. The program is waiting for you to press the RETURN key. If you accidentally typed the wrong number, you can correct your error by typing the desired number before you press RETURN. Each time you type an entry during the progress of the tax planner program, pressing the RETURN key tells the program that the entry is complete and the program advances to the next entry.

After you have typed 1 to select Tax Planning and pressed RETURN, the screen will show:



CREATING A NEW SCENARIO

You don't have a current scenario yet, and there are no scenarios on the diskette, so you should select the option to create a new scenario. Type

1 and press RETURN. The Tax Planner will prompt you with questions that will guide you as you furnish the necessary information for tax planning.

The first prompting question is:

TAX SCENARIO NAME?

Notice the white square on the screen, just to the right of the question mark. This square is called the cursor, and it indicates the point on the display where your typed responses will appear. As you type the characters, the cursor will move across the screen. If you make a typing error, you can back up and correct it if you haven't pressed RETURN yet. To move the cursor back so that you can re-type an erroneous input, press the left-arrow key.

For this example, type
SMYTHE
then press RETURN.



When you do this, the disk drive IN USE light will come on and the drive will whirr briefly. This is normal: the program is checking to see whether the scenario name has already been used.

The next prompt is:

```
BASE YEAR
1979.....TYPE 1
1980.....TYPE 2
```

While the Tax Planner is designed for base year 1980, the tax computations used are also valid for base year 1979. You would use 1979 as the base year for your scenario if you want to see what you could have done regarding your Federal income taxes for 1979. For instance, you might do this if you have been granted a filing extension (up to October 15, 1980) or if you are considering filing an amended return for 1979.

We will use base year 1980 for the practice scenario. Type
2
then press RETURN.

Tax Planner offers you the choice of planning several years (up to nine) into the future or of planning several alternative strategies for the base year. For this example, we will use one year. In response to the prompt

NUMBER OF YEARS ?

type
1
then press RETURN.

Since you are only going to plan for one year, the Tax Planner will ask you for the number of alternative tax strategies you wish to use. Any number of alternatives from 1 to 9 can be entered. We want to try three alternative strategies for the base year, so type

3
followed by RETURN.

Tax Planner will perform all of the major tax computations including income averaging. Prior year base-period income (as defined on IRS form 1040, Schedule G, and instructions) is needed for the income-averaging computation, so the next prompt is:

BASE PERIOD INCOME FOR EACH OF THE FOUR
YEARS PRECEDING THE BASE YEAR 1980?

1979.....?

Now you will need to type several values for base period income. When you have typed each value, press the RETURN key. Notice that the cursor jumps down a line, to the prompt indicating the year of the next income value to be typed.

For this example, enter the following amounts by using the number keys and the RETURN key:

1979.....34000
1978.....26000
1977.....8000
1976.....22000

The next prompt is

CHANGE ANY OF THESE VALUES? (Y/N)

If you enter a Y for Yes at this point, the program will return to the beginning of the scenario so that you can enter any necessary corrections. The program will display the prompt

TAX SCENARIO NAME SMYTHE?

and wait for your response. If the name shown is correct, merely press RETURN and the program will advance to the next item. If you wish to make a change, just type the correct item followed by RETURN. The program will step through all of the scenario items, as described above, so that you can make any necessary changes.

THE TAX MATRIX

If you type N in response to the prompt CHANGE ANY OF THESE VALUES, the tax matrix will appear:

1980 ALTER	1	2	3
FILE STATUS	00	00	0000
EXEMPTIONS	00	00	0000
INC PER SER	00	00	0000
-ST G/L	00	00	0000
-LT G/L	00	00	0000
-ALL OTH	00	00	0000
ADJUSTMENTS	00	00	0000
DEDUCTIONS1	00	00	0000
DEDUCTIONS2	00	00	0000
PREF ITEMS	00	00	0000
TAX CREDITS	00	00	0000
ADJ GR INC	00	00	0000
TAXABLE INC	00	00	0000
CARRY-ST	00	00	0000
-LT	00	00	0000
TAX-REGULAR	00	00	0000
-INC AUG	00	00	0000
-MAXIMUM	00	00	0000
-PREFER	00	00	0000
-ALT MIN	00	00	0000
TOTAL TAX	0%	0%	0%
TAX BRACKET			
TAX METHOD			

Notice that, except for the first row and the last two rows, the tax matrix is set up for you with zeros in all rows and columns. This means you only need to enter the non-zero values into the matrix. The number of columns in the tax matrix agrees with the number of alternatives you selected, as indicated by the numbers in the first row. Note: Adjusted Gross Income (ADJ GR INC) and all values below it on the tax matrix are computed by Tax Planner and can't be entered from the keyboard.

The first line of the tax matrix shows the tax year and the alternatives you have already selected. The cursor is positioned at the first item to be typed in. Each time you press RETURN, the cursor will automatically move to the next item in the matrix.

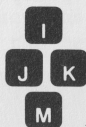
CURSOR KEYS

There are four keys that you can use to move the cursor anywhere in the tax matrix. These are the I, J, K, and M keys.

Key: Moves Cursor:

I	Up one row
J	Left one column
K	Right one column
M	Down one row

Look at the I, J, K, and M keys on the keyboard. They look like this:



The keys are arranged in a little cross. The position of each key in the cross corresponds to the direction the cursor will move each time you press the key.

Each time you press one of the cursor keys or RETURN, the program accepts the current value and advances to the next item in the selected direction. There are two other keys that cause the program to accept a value: F and D. The F key is used for filling every item in a row with the value you just entered. The D key duplicates the value you just entered into the next item in the row.

INTRODUCING THE HELP STATEMENTS

Before you go on with the example, you may want to find out more about some of the items that appear in the tax matrix. Tax Planner will display information about any row of the matrix at your request. This information display is called a Help statement, and you request the Help statement for the row where the cursor is by typing

You can use either ? or / for this: you don't need to use the shift key. The disk drive will whirr and a Help statement will appear on the monitor. There is a different Help statement for each row of the tax scenario. Using the I and M keys, you can move the cursor up and down from row to row of the Smythe scenario and examine the different help statements.

Now you should type the data shown below; further instructions are given with each item. Remember that you must press a cursor key, RETURN, F, or D to get the program to accept a value you want to put into the matrix.

FILE STATUS

With the cursor on the File Status row, type

to see the Help statement for File Status. Smythe is single: his filing status is 1. Press RETURN to leave the Help statement, then type 1F

Typing the F tells the program to Fill all the columns in the row with the same value as the first column. You will be using the F for Fill command a lot as you enter repetitious data into the tax matrix.

EXEMPTIONS

Smythe claims one exemption. Type
1F

The F key will again cause all the columns in the row to be filled with the same value as the first column.

INC - PER SER

This entry is for Income from Personal Service. Smythe's personal service income is his \$40,000 salary. Type
40000F

All the columns will be filled with the same number: 40000 this time.

Suppose you made an error typing in the last value. If you see an error before pressing the RETURN, F, or D key, you can eliminate the incorrect numbers by using the left-arrow key. Each time you press the left-arrow key, the cursor will move left and delete one character. If you have already pressed the RETURN, F, or D key before you realize that you have made an error, you can still go back and correct it. Just move the cursor left by pressing the J key, then enter the correct data.

- ST GAIN

The next item is Income from Short-Term Gain. The first alternative tax strategy is to sell the ABC stock for a short-term capital gain of \$20,000. Type
20000

and press RETURN. Note that the cursor has moved to the next column in the row. The values to enter for the next two columns are zeros.

Since there are already zeros there, just type

M

to move the cursor down to the next row.

- LT GAIN

There are three alternatives for Long-Term capital Gain. The first alternative takes the sale of the ABC stock as a short-term gain, so LT GAIN is zero. The two possible long-term capital gains from stock sale that we want to consider in alternatives 2 and 3 are \$20,000 and \$10,000 for the ABC and XYZ stocks, respectively. Since you just moved the cursor down the second column from the row above, you have effectively skipped the first item in this row. That item is zero anyway, so all you have to enter are the second and third alternatives.

Type

20000

press RETURN, type

10000

and press RETURN again.

- ALL OTH

All Other income includes the interest and miscellaneous income for Smythe. Type

500F

to enter 500 in all three columns.

ADJUSTMENTS

Smythe's maximum contribution to an IRA is \$1500. Type

1500F

to enter 1500 in all three columns.

DEDUCTIONS1

To display information about this class of deductions, type
?

Smythe will deduct \$7,200 for mortgage interest. Type

7200F

to enter 7200 in all three columns.

DEDUCTIONS2

Display the Help statement for Deductions2 by typing
?

Now enter the value for Smythe's deductions for medical expenses, casualty losses and taxes by typing:

4800F

PREF ITEMS

Smythe has no tax preference items, so type

M

to move the cursor down and leave 0 in all three columns.

TAX CREDITS

Smythe is entitled to a tax credit of \$250 for a solar energy installation. Type

250F

to fill in the three columns.

You are now ready for Tax Planner to perform the many computations involved in this tax scenario. Press

C

to compute the tax. The legend COMPUTING TAXES will appear on the monitor until the computations are finished. The total tax for all alternatives and all tax computation methods will be computed. When the computations are finished, the tax matrix will look like this:

	1	2	3
1980 ALTER	1	2	3
FILE STATUS	1	1	1
EXEMPTIONS	1	1	1
INC-PER SER	40000	40000	40000
-ST G/L	20000	0	0
-LT G/L	0	20000	10000
-ALL OTH	500	500	500
ADJUSTMENTS	1500	1500	1500
DEDUCTIONS1	7200	7200	7200
DEDUCTIONS2	4800	4800	4800
PREF ITEMS	0	0	0
TAX CREDITS	250	250	250
ADJ GR INC	59000	47000	43000
TAXABLE INC	48300	36300	32300
CARRY-ST	0	0	0
-LT	0	0	0
TAX-REGULAR	17132	10844	8274
-INC AVG	15652	10372	8797
-MAXIMUM	N.A.	N.A.	N.A.
-PREFER	0	0	0
-ALT MIN	2600	2600	1600
TOTAL TAX	15402	10122	8547
TAX BRACKET	44%	44%	44%
TAX METHOD	INC AVG	INC AVG	INC AVG

The Federal personal income tax and the tax computation method will be shown for each alternative. The tax is computed by taking the lowest of regular tax, income averaging, or maximum tax, when they apply, subtracting tax credits, and then adding the preference tax. Either this sum or the alternative minimum tax, whichever is larger, becomes the TOTAL TAX. The method used for computing each alternative is shown as TAX METHOD. The tax effect of the contemplated stock sale will be indicated on the TOTAL TAX line for each alternative. Smythe now knows the tax effect of each alternative and can use this information to help him decide which strategy to use.

SAVING THE SAMPLE SCENARIO

The computed Smythe scenario is held in temporary storage in the Apple II. If you were to turn power off now, the scenario would be lost.

To keep a tax scenario so that you can work with it some other time, you need to save it on the diskette as a permanent file. We are now going to save the Smythe scenario. Press
ESC

The program will display the Main Menu. Select TAX PLANNING. When the next menu appears, select the option COPY THIS SCENARIO TO DISK. The message WRITING SMYTHE will appear and the disk drive will whirr, then the program will display the Main Menu again. You have now saved the SMYTHE scenario on the diskette.

If you have a printer attached to a printer interface card installed in Apple slot #1, you can select PRINTER from the Main Menu. When you do this, the computer will display the prompt

DO YOU WISH TO PRINT THE CURRENT SCENARIO? (Y/N)

Type

Y

followed by RETURN. The printer will now print a copy of the Smythe scenario, which looks like this:

Tax Scenario Name: SMYTHE

Base Year: 1980

1980 Alternative	1	2	3
Filing Status	1	1	1
Number of Exemptions	1	1	1
Per Service Income	40,000	40,000	40,000
Short Term Cap Gain	20,000	0	0
Long Term Cap Gain	0	20,000	10,000
All Other Income	500	500	500
Total Adjustments	1,500	1,500	1,500
Deductions - (1)	7,200	7,200	7,200
Deductions - (2)	4,800	4,800	4,800
Preference Items	0	0	0
Tax Credits	250	250	250

Tax Calculations

Adjusted Gross Inc	59,000	47,000	43,000
Taxable Income	48,300	36,300	32,300
ST Loss Carryover	0	0	0
LT Loss Carryover	0	0	0
Regular Tax	17,132	10,844	8,974
Income Averaging	15,652	10,372	8,797
Maximum Tax	N.A.	N.A.	N.A.
Min Tax on Pref Item	0	0	0
Alternative Min Tax	2,600	2,600	1,600

Tax Evaluation

Total Tax	15,402	10,122	8,547
Tax Bracket	44%	44%	39%
Tax Method	Inc Avg	Inc Avg	Inc Avg

Taxable Income For:

1979	34,000
1978	26,000
1977	8,000
1976	22,000

CHANGING THE SAMPLE SCENARIO

Using the Tax Planner, you can easily change a scenario to fit changing circumstances and perform sensitivity analyses of tax situations. We are going to make some changes to the Smythe income forecast and observe the changes in the computed tax. Suppose that Smythe may receive a bonus from a big sales opportunity he has and that now his personal service income may rise to \$60,000 for the base year (1980). Perform the following steps to get the Smythe scenario from the diskette files: Select TAX PLANNING from the Main Menu, then select the third option, WORK WITH CURRENT SCENARIO, from the Tax Planning menu.

Tax Planner will prompt you with the message

CHANGE ANY OF THESE VALUES? (Y/N)

After you type Y and press RETURN, the name of the current scenario (SMYTHE) will appear on the screen with the base year (1980) and the preliminary information you entered for the previous example. To change SMYTHE to SMYTHE2, re-type the entire name, then press RETURN. Leave the other preliminary data unchanged by pressing RETURN at each cursor position. When the question

CHANGE ANY OF THESE VALUES?

appears again, type N and press RETURN. The tax matrix will appear. Move the cursor down to the line INC - PER SER by using the M key, and type

60000F

to change personal service income from \$40,000 to \$60,000 for all three alternatives.

Press

C

for Compute. Tax Planner will compute the new tax for all tax methods and alternatives. Based on the new tax figures shown below, Smythe might revise his earlier tax strategy selection.

1980 ALTER	1	2	3
FILE STATUS	1	1	1
FILE DESCRIPTIONS	1	1	1
INC PER SER	60000	60000	60000
-ST G/L	20000	20000	20000
-LT G/L	500	500	500
-ALL OTH	500	500	500
ADJUSTMENTS	1500	1500	1500
DEDUCTIONS 1	7200	7200	7200
DEDUCTIONS 2	4800	4800	4800
PREF ITEMS	250	250	250
TAX CREDITS	79000	67000	56000
ADJ GR INC	68300	56300	44300
TAXABLE INC	29172	21612	19333
CARRY-ST	2474	1917	1741
-LT	2865	2116	1891
TAX-REGULAR	5200	5200	5200
-INC AUG	24492	18928	17150
-MAXIMUM	49	44	44
-PREFER	49	44	44
-ALT MIN	49	44	44
TOTAL TAX	49	44	44
TAX BRACKET	49	44	44
TAX METHOD	INC AUG	INC AUG	INC AUG

You may want to use the SMYTHE files for additional practice later. To save the SMYTHE2 scenario on your diskette, press the ESC key to return to the Main Menu, select TAX PLANNING, and select the option COPY THIS SCENARIO TO DISK.

HOW TO VIEW MORE COLUMNS

You may have noticed that three alternatives resulted in a tax matrix that filled the display, and wondered what would happen if you wanted to see more than three columns. All you have to do is move the cursor onto the "hidden" columns using the J and K keys. Try it! From the Main Menu, select TAX PLANNING, then select WORK WITH CURRENT SCENARIO. The program will prompt with

CHANGE ANY OF THESE VALUES? (Y/N)

Type Y and RETURN, then when the scenario information is displayed, press RETURN repeatedly to skip down to the prompt for NUMBER OF ALTERNATIVES? Type

4

then press RETURN. Again skip over the base-period values, and when the program asks

CHANGE ANY OF THESE VALUES?

again, respond with N and RETURN. When the tax matrix appears, only three columns will be displayed. To see the fourth one, just type KKK

The cursor will move to the third column on the display, then the display will change and the columns will all be displaced to the left, allowing you to see the fourth column, but hiding the first one. You can enter data into the new fourth column by using the M key to move the cursor down after each entry. If you need to go back to correct a previous entry, use the I key to move up the column. Copy the values from the other columns into the new column, but leave both ST GAIN and

LT GAIN zero. This will let Smythe see the tax result if he doesn't sell either block of stock.

A MULTI-YEAR SCENARIO

The next practice scenario involves a multi-year tax plan. Note that the 1979-1980 tax laws and tables are used for the tax computations for future years. Start by selecting TAX PLANNING from the main menu, then select the option to CREATE A NEW SCENARIO from the Tax Planning menu. When the program asks for TAX SCENARIO NAME? type GREENE

Use 1980 as the base year. For NUMBER OF YEARS? type
3

Greene had base-period income for the past four years of \$22,000, \$23,000, \$24,000, and \$25,000, is married (filing status 2) and claims three exemptions. Greene has no other income or deductions. Thanks to a professional career change and some very large commissions earned in 1980, Greene expects personal service income for the year to rise to \$140,000. Thereafter, he expects to earn \$50,000 in 1981 and \$70,000 in 1982.

Enter the base period income for Greene for the four years preceding the base year 1980 as shown below. Remember that the RETURN key serves to complete an entry.

1979.....25000
1978.....24000
1977.....23000
1976.....22000

When the screen displays

CHANGE ANY OF THESE VALUES (Y/N)

press
N

then press RETURN. The new scenario will be full of zeros. Using the RETURN key and the M key to advance the cursor and the F key to fill all

three columns, as before, type in the numbers to produce a scenario that looks like this:

YEAR	1980	1981	1982
FILE STATUS	2	2	2
EXEMPTIONS	3	3	3
INC - PER SER	140000	50000	70000
- ST GAIN	0	0	0
- LT GAIN	0	0	0
- ALL OTH	0	0	0
ADJUSTMENTS	0	0	0
DEDUCTIONS1	0	0	0
DEDUCTIONS2	0	0	0
PREF ITEMS	0	0	0
TAX CREDITS	0	0	0

Press

C

to compute taxes. The message COMPUTING TAXES will appear on the monitor and then the completed scenario will appear. The lower portion of the scenario will look like this:

YEAR	1980	1981	1982
FILE STATUS	2	2	2
EXEMPTIONS	3	3	3
INC - PER SER	140000	50000	70000
- ST G/L	0	0	0
- LT G/L	0	0	0
- ALL OTH	0	0	0
ADJUSTMENTS	0	0	0
DEDUCTIONS1	0	0	0
DEDUCTIONS2	0	0	0
PREF ITEMS	0	0	0
TAX CREDITS	0	0	0
HOJ GR INC	140000	50000	70000
TAXABLE INC	137000	47000	67000
CARRY-ST	0	0	0
- LT	0	0	0
TAX - REGULAR	65200	13300	2345
- INC AVG	51182	N.A.	N.A.
- MAXIMUM	58178	N.A.	2317
- PREFER	0	0	0
- ALT MIN	20400	235	472
TOTAL TAX	51182	13300	2317
TAX BRACKET	432	432	64
TAX METHOD	INC AVG	REG TAX	MAX TAX

The Tax Planner will display the Federal personal income tax and the tax computation method for each year. The TOTAL TAX is computed by taking the lowest of regular tax, income averaging, or minimum tax, when they apply, subtracting tax credits, and then adding the preference tax. Either this result or the alternative minimum tax, whichever is larger, becomes the TOTAL TAX. For this example, Tax Planner has selected a different tax computation method for each of the three years: income averaging, regular tax, and maximum tax. This is shown as TAX METHOD.

The Greene scenario is not very realistic at this stage, as you have not yet entered data for deductions and adjustments. First, you have to enter Greene's estimates for these deductions of \$14,000, \$3,700, and \$6,000 for the three years. Use the M key to move the cursor down to

the DEDUCTIONS2 row. Enter the deduction values with the number keys and the RETURN key. Remember to recheck all of the figures when you are making changes.

Greene is entitled to deposit up to \$7,500 per year in a Keogh retirement account. Here we are assuming that the effects of the Keogh contributions on Greene's state taxes are already included in the entries under DEDUCTIONS1. Greene has chosen to let his Keogh contributions be an adjustment to income, although he could have let them be an adjustment to Personal Service income instead. Using the I key, move the cursor back up to the ADJUSTMENTS row and type 7500F

to enter 7500 for each of the three years. Press

C

to compute new taxes. The new TOTAL TAX is shown below:

YEAR	1980	1981	1982
FILE STATUS	2	2	2
EXEMPTIONS	0	0	0
INC PER SER	140000	50000	70000
-ST C/L	0	0	0
-LT C/L	0	0	0
-ALL OTH	0	0	0
ADJUSTMENTS	0	0	0
DEDUCTIONS1	7500	7500	7500
DEDUCTIONS2	14000	37000	60000
PREF ITEMS	0	0	0
TAX CREDITS	0	0	0
ADJ CR INC	140000	50000	70000
TAXABLE INC	118900	39200	56900
CARRY-ST	0	0	0
-LT	0	0	0
TAX-REGULAR	53624	9082	1815
-INC AUG	4220	N/A	N/A
-MAXIMUM	49120	N/A	N/A
-PREFER	0	0	0
-CHL MIN	1500	1500	1500
TOTAL TAX	4220	9080	1800
TAX BRACKET	43%	43%	43%
TAX METHOD	INC AVG	REG TAX	REG TAX

Observe the change in TAX BRACKET and note the effect that the adjustments have had on the tax rate on the last taxable dollar. Note the decrease in TOTAL TAX. The marginal effect of an adjustment, that is, the amount of tax reduction per dollar of adjustment, can be found by dividing the amount of the tax reduction by the amount of the adjustment. Also, remember to consider the effect of these adjustments on your state income taxes.

What will happen to Greene's tax liabilities if a home is purchased? Assume a \$150,000 mortgage at 10% interest and annual taxes of about \$1,500. Using the I, J, K, and M keys to position the cursor, add 15000 for these interest charges to the DEDUCTIONS1 row for all three years. Also add 1500 for state tax to the present amounts in each column of the DEDUCTIONS2 row. Press

C
to compute the taxes. The new total tax and tax computation methods are shown below:

YEAR	1980	1981	1982
FILE STATUS	3	5	1
EXEMPTIONS	0	0	0
INC-PER SER	140000	50000	70000
-ST C/L	0	0	0
-LT C/L	0	0	0
-ALL OTH	0	0	0
ADJUSTMENTS	0	0	0
DEDUCTIONS1	22500	22500	22500
DEDUCTIONS2	15500	5200	7500
PREF ITEMS	0	0	0
TAX CREDITS	0	0	0
ADJ GR INC	140000	50000	70000
TAXABLE INC	102400	22700	40400
CARRY-ST	0	0	0
-LT	0	0	0
TAX-REGULAR	43414	3973	10390
-INC AVG	35037	N.A.	N.A.
-MAXIMUM	40878	N.A.	N.A.
-PREFER	0	0	0
-ALT MIN	11800	0	1700
TOTAL TAX	35037	3973	10390
TAX BRACKET	43%	28%	42%
TAX METHOD	INC AVG	REG TAX	REG TAX

Now you can see the effect that the purchase of a home would have on the TAX BRACKET and the TOTAL TAX. Also note the TAX METHOD row to see the changes in the tax computation methods the Tax Planner has selected. Other modifications which could be made to the Greene scenario may occur to you. You may want to type in more changes and see what happens when the taxes are computed. You should remember to compute the effects of these changes on your state taxes and enter them as changes to DEDUCTIONS2. When you are finished with the Greene practice scenario, you can save the scenario on diskette for additional practice at another time.

MAKING BACKUP COPIES OF SCENARIOS

You may have certain scenarios that are so important that you want to make copies other than the one on your Tax Planner diskette. Such a copy is called a backup copy. There are three ways to make a backup copy of a tax scenario.

- 1) You can print a copy of a scenario on paper and save it. At some future time when you want to work with that scenario again, you can type it in from the data on your printed copy.
- 2) If your computer has a Language System and at least two disk drives, you can boot the Pascal System and use the Pascal Filer to transfer a scenario file from your primary Tax Planner diskette to your backup Tax Planner diskette. Any Tax Planner scenario you have saved on your primary diskette is named NAME.SC, where NAME is whatever name you assigned to the scenario. To make a copy of this scenario on your backup diskette, first call the Pascal Filer, then put the primary diskette in Drive 1 and the backup diskette in Drive 2 and use the Transfer command.
- 3) From the Tax Planning menu, you can LOAD A SCENARIO from the Tax Planner diskette into the Apple II memory, then take the diskette out of the disk drive and insert your backup Tax Planner diskette. Using the backup diskette, you can COPY THIS SCENARIO TO DISKETTE. Once the scenario has been saved on your backup diskette, you should switch diskettes again before you continue working with the Tax Planner.

CHAPTER 3

REFERENCES

This chapter contains detailed information about the control keys, each of the Tax Planner menus, the tax matrix, and the Help statements.

PROGRAM CONTROL AND DATA ENTRY KEYS

Certain keys are used to control the operation of the program and to enter data in the tax matrix. The functions of these keys are described below.

THE ESCAPE KEY

The key labelled ESC on the Apple II keyboard is the escape key. If you press this key at any time during your use of the Tax Planner, the program will display the Main Menu and wait for you to select one of the four options listed. The Main Menu and the four options are described in their own sections of this chapter.

THE HELP KEY

When the ? key is pressed, information will be displayed on the screen which Helps explain the item in the tax matrix row where the cursor is. Typing either ? or / will have the same effect: the SHIFT key is not necessary. After viewing a Help screen, pressing the RETURN key will restore the program and return the cursor to the previous position.

THE CURSOR CONTROL KEYS

These four keys accept any previous numbers as data and move the cursor to the adjacent item above, below, right, or left in the tax matrix. If no numbers were typed, these keys simply move the cursor to the next item in the selected direction.

<u>Key:</u>	<u>Moves Cursor:</u>
I	Up one row
J	Left one column
K	Right one column
M	Down one row

The keys are arranged in a little cross, as shown below. To Help you remember what each key does, the position of each key in the cross corresponds to the direction the cursor will move each time you press the key.



1,2,3,4,5,6,7,8,9,0

The number keys are used to enter data in whole dollars only (no cents). Up to eight digits can be entered in any one item (that's over 99 million dollars!).

- (MINUS)

The hyphen or minus sign is used when entering data in rows four, five, and six: ST GAIN, LT GAIN, and ALL OTH. Typing a hyphen before a value in one of these rows signifies a negative number.

← (LEFT-ARROW)

Typing a left-arrow moves the cursor left within a given item and deletes the previous character. The left-arrow key is used in entering data to back over an error so that it can be corrected.

RETURN

The RETURN key accepts any previous numbers as data and moves the cursor to the next item in the matrix. If no numbers were typed before pressing the RETURN key, it simply accepts whatever was previously displayed and moves to the next item. The RETURN key moves the cursor across the columns and then down to the next row.

D (DUPLICATE)

When you type D, the value in the current item of the matrix will be duplicated in the next item and the cursor will be advanced to the next item.

F (FILL)

When you type F, the value in the current item (where the cursor is) will be entered into the rest of the row and the cursor will be advanced to the next row.

C (COMPUTE)

All taxes for all years or alternatives are recomputed each time C is pressed. A few seconds may elapse after the C command before the new data are displayed.

The adjusted gross income, taxable income, and total tax are computed for each alternative tax method. The tax computation methods are: regular tax, income averaging, maximum tax, and alternative minimum tax. The add-on minimum tax on preference items is computed for each method except the alternative minimum tax method.

Computation includes short-term and long-term capital loss carryover. If the alternative minimum tax applies and you have foreign tax credits, you will have to reduce the alternate minimum tax manually.

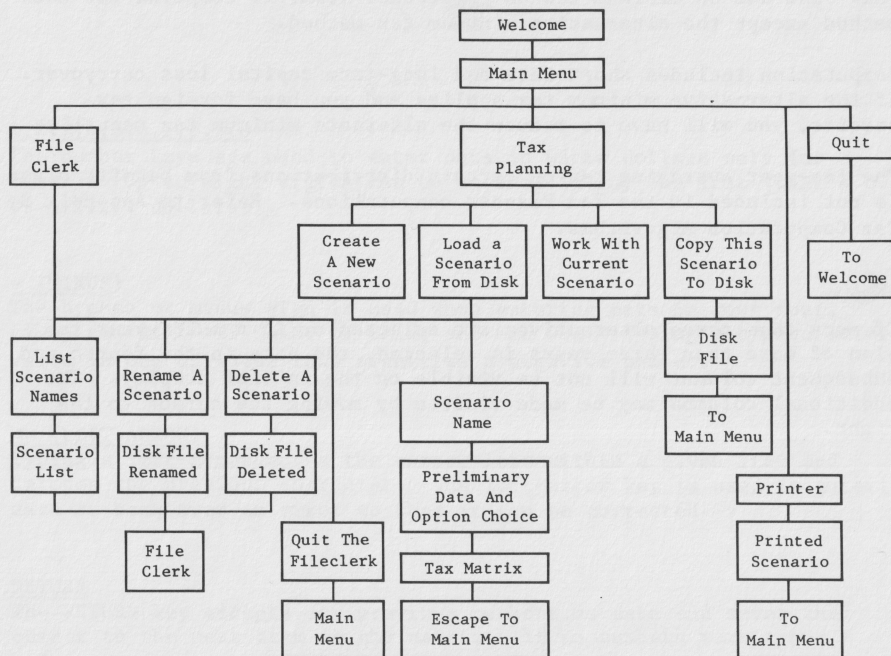
The ten-year averaging tax on certain distributions from benefit plans is not included in the Tax Planner computations. Refer to Appendix B, Tax Computation Algorithms.



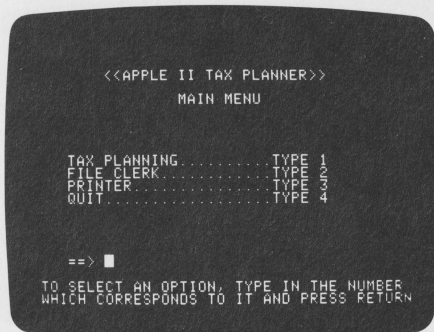
If more than three alternatives are selected or if a multi-year tax plan of more than three years is selected, the data in the fourth and subsequent columns will not be visible on the initial display. The additional columns may be made visible by moving the cursor to the right.

THE MAIN MENU

The four branches of the Main Menu, which is the first menu you see when Tax Planner is started, are shown in the diagram below. Refer to the diagram as you read the rest of this chapter to gain an understanding of the ways you can move through the program options.

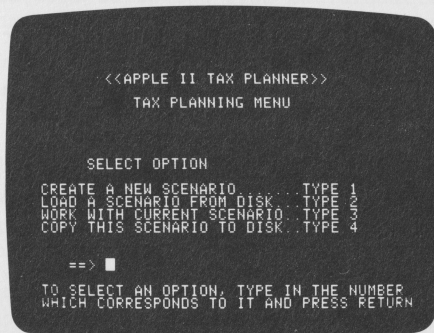


The four Main Menu branches, (TAX PLANNING, FILECLERK, PRINTER, and QUIT) are covered in the rest of this chapter. Each branch menu will be a separate section. You can get into the branch menus by entering the number and pressing RETURN. The Main Menu is shown below:



TAX PLANNING

When you first arrive at the Tax Planning menu after loading the program, you have a choice of either creating a new tax scenario or loading a previously created and saved scenario from a file on the diskette, as shown in the menu:



CREATE A NEW SCENARIO

When you choose to create a new scenario, the program will request a scenario name. The name may be your name, your client's name, your spouse's name, or any reference name you wish to use. The file name cannot exceed twelve displayable characters (letters, numbers, hyphen, or slash.) Thus SMYTHE-7/80 is a valid name, but SMYTHE-7/12/80 is not, since it is more than twelve characters long.



The first time you enter the name of a scenario when creating a new scenario, the program will search the diskette and warn you if that name is already being used. It only does this the first time you reach this line from the Tax Planning menu. If you return to this line to make changes, the program won't look for the name on the diskette--it will let you name the file anything you want. If the new name duplicates an existing file name, the existing file will be overwritten by the new one when you copy the new scenario onto the diskette. If you want to overwrite an old file without going back to the File Clerk and deleting it, this feature can save you some time. If you don't want to overwrite a file, be careful not to rename a scenario after you've left the first line of the Tax Planning screen.



If you already have one scenario in the computer when you decide to create a new one, remember to save the current scenario before you create the new one. You can either COPY THIS SCENARIO TO DISKETTE or use the printer to PRINT CURRENT SCENARIO.

After you have supplied the name for your new scenario, the program will ask you to choose the base year (1979 or 1980). The Federal tax tables and the computations used in the Tax Planner are valid for both 1979 and 1980. Computations for base year 1979 may be useful to you under certain circumstances. For instance, the Tax Planner can be used to determine the effect of filing an amended 1979 tax return.

After the base year is chosen, you will be asked for the number of years to be included. If you choose to work with only one year, the Tax Planner will let you select the number of alternative strategies to be included.

You must list the base-period income as computed on Schedule G, IRS Form 1040 for the four previous years. The Tax Planner needs the data for the prior years in order to compute the effects of income averaging.

At this point in the program you will be given an opportunity to go back and change any errors you might have made in scenario name, base year, selection of number of years, number of alternatives, or prior years' base period income. The screen will show

CHANGE ANY OF THESE VALUES? (Y/N)

You should type either Y which means you wish to make a change, or an N which means you are ready to proceed. When you have completed all of the preliminary information, the display will be as shown below.

```

TAX SCENARIO NAME ?      SMYTHE

BASEYEAR
1979 ..... TYPE 1
1980 ..... TYPE 2      1980

NUMBER OF YEARS? (1-9)   1
NUMBER OF ALTERNATIVES?  3

BASE PERIOD INCOME FOR EACH OF THE
YEARS PRECEDING THE BASEYEAR 1980?
1979 ..... 24000
1978 ..... 26000
1977 ..... 8000
1976 ..... 22000

CHANGE ANY OF THESE VALUES? (Y/N)  ☐

```



You may find it helpful to keep a notebook of comments about each scenario, including the assumptions that you made for each one. The Tax Planner only records your data and computes taxes on the basis of that data.

LOAD A SCENARIO FROM DISKETTE

If you choose to load a scenario from diskette, the display will list all scenarios on the diskette by name and will number the scenarios consecutively. When you choose a scenario by number it will become the CURRENT SCENARIO and will be loaded from the diskette into the computer's memory ready for change or review. Obviously, you have to have created some scenarios and saved them on diskette before you can load a scenario from diskette. As soon as the requested scenario is loaded, it will be displayed.

WORK WITH CURRENT SCENARIO

You may choose to work with the current scenario. A scenario which was still in the computer's memory when Tax Planning option was selected is the current scenario. You may also work with a new scenario that is either CREATED or LOADED. After taxes have been computed and you have ESCAPed from the tax matrix you may continue to work with the same scenario, using the data in the tax matrix beginning with TAX SCENARIO NAME.



The first time you change the name of a scenario from the Tax Planning menu, the program will search the diskette and warn you if that name is already being used. It only does this the first time you reach this line from the Tax Planning menu. If you return to this line to make changes, the program won't look for the name on the diskette—it will let you name the file anything you want. If the new name duplicates an existing file name, the existing file will be overwritten by the new one when you copy the new scenario onto the diskette. If you want to

overwrite an old file without going back to the File Clerk and deleting it, this feature can save you some time. If you don't want to overwrite a file, be careful not to rename a scenario after you've left the first line of the Tax Planning screen.

COPY THIS SCENARIO TO DISKETTE

You may choose to copy the current scenario from the computer's memory into a permanent file on the diskette. When you choose the copy option, the current scenario is written into a named file. When it has finished writing the file, the Tax Planner program will automatically return to the Main Menu.

THE TAX MATRIX

The tax matrix is displayed after the initial scenario data has been entered and the program asks whether you want to CHANGE ANY OF THESE VALUES? If you type N, the tax matrix appears, as shown here:

YEAR	1980	1981	1982
FILE STATUS	0	0	0
EXEMPTIONS	0	0	0
INC - PER SER	0	0	0
-ST G/L	0	0	0
-LT G/L	0	0	0
-ALL OTH	0	0	0
ADJUSTMENTS	0	0	0
DEDUCTIONS1	0	0	0
DEDUCTIONS2	0	0	0
PREF ITEMS	0	0	0
TAX CREDITS	0	0	0
ADJ GR INC	0	0	0
TAXABLE INC	0	0	0
CARRY-ST	0	0	0
-LT	0	0	0
TAX-REGULAR	0	0	0
-INC AUG	0	0	0
-MAXIMUM	0	0	0
-PREFER	0	0	0
-ALT MIN	0	0	0
TOTAL TAX	0	0	0
TAX BRACKET	0%	0%	0%
TAX METHOD			

THE HELP STATEMENTS

There is a Help statement for each row of the tax matrix. The Help statement is a brief explanation of the data to be entered in the indicated row of the tax matrix. Move the cursor with the I and M keys until the cursor is in the desired row of the tax matrix, then press the ? key. The Help statement for that row will be displayed.

The Help statement and the required input data for each row of the tax matrix are explained in detail in the following paragraphs.

FILE STATUS

YOUR FILING STATUS DETERMINES WHICH
TAX RATE SCHEDULE WILL BE USED IN THE
COMPUTATION OF YOUR TAXES.

KEY IN THE NUMBER WHICH CORRESPONDS TO
YOUR FILING STATUS.

1 SINGLE
2 MARRIED FILING JOINTLY
3 MARRIED FILING SEPARATELY
4 UNMARRIED HEAD OF HOUSEHOLD
5 QUALIFYING WIDOW(ER)

TO CONTINUE, PRESS RETURN■

The Help statement for filing status will display the message shown above. Appendix B, the instructions for IRS form 1040, and the IRS publication "Your Federal Income Tax For Individuals" contain more information on filing status.

EXEMPTIONS

EVERY TAXPAYER IS ALLOWED TO CLAIM A
\$1000 PERSONAL EXEMPTION. ADDITIONAL
EXEMPTIONS MAY BE ALLOWED FOR A SPOUSE,
AGE, BLINDNESS, AND DEPENDENTS.

ENTER THE TOTAL NUMBER OF EXEMPTIONS YOU
CLAIM.

TO CONTINUE, PRESS RETURN■

The Help statement for exemptions will display the message shown above. IRS form 1040 instructions and the IRS publication "Your Federal Income Tax For Individuals" contain further references on the requirements for additional exemptions.

INCOME — PERSONAL SERVICE

NET PERSONAL SERVICE INCOME (NET PSI)

PSI INCLUDES (BUT IS NOT LIMITED TO) WAGES, SALARIES, AND OTHER SELF-EMPLOYMENT OR PARTNERSHIP INCOME WHERE SERVICES ARE A MATERIAL INCOME-PRODUCING FACTOR.

PSI MUST BE REDUCED BY CERTAIN ADJUSTMENTS. IF YOU HAVE SUCH ADJUSTMENTS BE SURE TO APPLY THEM HERE AND NOT IN THE ADJUSTMENTS BELOW.

FOR A COMPLETE EXPLANATION REFER TO FORM 4726, MAXIMUM TAX ON PERSONAL SERVICE INCOME.

TO CONTINUE, PRESS RETURN

The Help statement for personal service income will display the above message. A more complete definition of net personal service income may be found in IRS Publication 525 "Taxable and Non-Taxable Income." Be sure to reduce Personal Service Income by the adjustments that apply. Be careful not to apply adjustments twice. The tax on personal service income is limited to a maximum of 50%.

INCOME — SHORT-TERM GAIN

NET SHORT TERM CAPITAL GAIN OR LOSS

SHORT TERM CAPITAL GAINS AND LOSSES CORRESPOND TO ASSETS HELD FOR ONE YEAR OR LESS. COMMODITIES ARE TREATED DIFFERENTLY.

FOR MORE DETAILS PLEASE SEE SCHEDULE D.
ENTER LOSSES AS NEGATIVE.

TO CONTINUE, PRESS RETURN

The Help statement for short term capital gain (loss) will be displayed as shown above. A complete definition of short-term capital gains or losses may be found in the IRS Form 1040 instructions, or in IRS publication "Your Federal Income Tax For Individuals." Schedule D, "Capital Gains and Losses," and Form 4797, "Supplemental Schedule of

Gains and Losses," contain information about calculating the data to be entered in the short term capital gain row.

INCOME — LONG-TERM GAIN

NET LONG TERM CAPITAL GAIN OR LOSS
LONG TERM CAPITAL GAINS OR LOSSES
CORRESPOND TO ASSETS HELD FOR MORE THAN
ONE YEAR. COMMODITIES ARE TREATED
DIFFERENTLY.
FOR MORE DETAILS PLEASE SEE SCHEDULE D
ENTER LOSSES AS NEGATIVE.

TO CONTINUE, PRESS RETURN

The Help statement for long term capital gain (loss) will be displayed as shown above. A complete definition of long-term capital gains or losses may be found in the IRS Form 1040 instructions, or in IRS publication "Your Federal Income Tax For Individuals." Schedule D, "Capital Gains and Losses," and Form 4797, "Supplemental Schedule of Gains and Losses," contain information about the prior calculations of the data to be entered in the long term capital gain row.

INCOME — ALL OTHERS

ALL OTHER INCOME IS THE SUM OF ANY INC-
OME OR LOSS, OTHER THAN PERSONAL SERVICE
INCOME OR CAPITAL GAIN OR CAPITAL LOSS.
BE SURE TO DEDUCT ALL ALLOWABLE EXCLU-
SIONS AND CONSIDER ALL LIMITATIONS.
ENTER LOSSES AS NEGATIVE.

TO CONTINUE, PRESS RETURN

The Help statement for all other income is displayed as shown above. IRS Schedules B, C, E, and F contain further information on income and

loss items that are included in the category of all other income. Additional information is contained in IRS form 1040 instructions and in IRS Publication "Your Federal Income Tax For Individuals".

ADJUSTMENTS

TOTAL ADJUSTMENTS INCLUDE:

MOVING EXPENSES, EMPLOYEE BUSINESS EXPENSES, PAYMENTS TO AN IRA ACCOUNT, PAYMENTS TO A KEOGH RETIREMENT PLAN, INTEREST PENALTY DUE TO EARLY WITHDRAWAL, AND ALIMONY.

ADJUSTMENTS WILL BE SUBTRACTED FROM TOTAL INCOME WHEN ADJUSTED GROSS INCOME IS COMPUTED.

IF YOU HAVE TAKEN ADJUSTMENTS AGAINST "INC-PER SER" ABOVE DO NOT TAKE THEM AGAIN HERE.

FOR MORE DETAILS PLEASE SEE FORM 1040 INSTRUCTIONS.

TO CONTINUE, PRESS RETURN■

The Help statement for adjustments to income will be displayed as shown above. IRS publication "Your Federal Income Tax For Individuals" contains information about additional definitions of permissible adjustments.

DEDUCTIONS1

CLASS 1 ITEMIZED DEDUCTIONS INCLUDES INTEREST, CONTRIBUTIONS, AND MISCELLANEOUS DEDUCTIONS. THESE VALUES DETERMINE EXCESS ITEMIZED DEDUCTIONS USED IN THE ALTERNATIVE MINIMUM TAX COMPUTATION.

REMEMBER TO CONSIDER ALL LIMITATIONS ON THESE DEDUCTIONS.

TO CONTINUE, PRESS RETURN■

The Help statement for class 1 itemized deductions will be displayed as shown above. Refer to IRS form 1040 instructions or to IRS publication "Your Federal Income Tax For Individuals" for precise details of allowable itemized deductions. You may also wish to ask your tax advisor for information on deductions. Schedule A provides a

procedure to use for final computation prior to entry of data in the DEDUCTIONS1 row.

DEDUCTIONS2

CLASS 2 ITEMIZED DEDUCTIONS INCLUDES MEDICAL AND DENTAL EXPENSES, TAXES, AND CASUALTY OR THEFT LOSSES.

REMEMBER TO CONSIDER ALL LIMITATIONS ON THESE DEDUCTIONS.

TO CONTINUE, PRESS RETURN

The Help statement for class 2 itemized deductions will be displayed as shown above. Refer to IRS form 1040 instructions or to IRS publication "Your Federal Income Tax For Individuals" for precise details of allowable itemized deductions. You may also wish to ask your tax advisor for information on deductions. Schedule A provides a procedure to use for final computation prior to entry of data in the DEDUCTIONS2 row.

PREFERENCE ITEMS

TAX PREFERENCE ITEMS MAY INCLUDE:

QUALIFIED (OR RESTRICTED) STOCK OPTIONS, EXCESS DEPLETION, ACCELERATED DEPRECIATION ON REAL PROPERTY, AND CERTAIN OTHER ITEMS.

TAX PREFERENCE ITEMS ARE USED IN COMPUTING THE ADD-ON MINIMUM TAX AND THE MAXIMUM TAX ON PERSONAL SERVICE INCOME.

SEE FORM 4625 FOR MORE DETAILS, INCLUDING LIMITATIONS WHERE THE PREFERENCE ITEM DID NOT RESULT IN A TAX BENEFIT.

THE NONTAXABLE PORTION OF CAPITAL GAINS AND EXCESS ITEMIZED DEDUCTIONS ARE NO LONGER PREFERENCE ITEMS FOR THE ADD-ON MINIMUM TAX.

TO CONTINUE, PRESS RETURN

The Help statement for preference items will be displayed as shown above. Refer to IRS form 1040 instructions or to IRS publication "Your Federal Income Tax For Individuals" for additional details for items

of preference income. See also IRS publication 525 "Taxable and Non-Taxable Income" and IRS Form 4625, "Computation of Minimum Tax - Individuals".

TAX CREDITS

TAX CREDITS WILL BE SUBTRACTED FROM
REGULAR TAX, INCOME AVERAGING, AND
MAXIMUM TAX ON PERSONAL SERVICE
INCOME, WHEN TOTAL TAX IS COMPUTED.
IF THE ALT MIN TAX APPLIES AND YOU HAVE
FOREIGN TAX CREDITS, YOU MUST REDUCE THE
ALT MIN TAX MANUALLY.

TO CONTINUE, PRESS RETURN

The Help statement for tax credits is displayed as shown above. Tax credits are listed in detail in IRS Publication "Your Federal Income Tax For Individuals". If tax credits are a significant item, you may want to have a look at IRS forms 2441 (child and dependent care), 3468 (investment credit), 1116 (foreign tax credit), 4874 (work incentive), 5884 (jobs credit) or 5695 (residential energy credit). Note: except for foreign tax credits, tax credits may not be applied to the alternative minimum tax.

ADJUSTED GROSS INCOME

ADJUSTED GROSS INCOME IS THE SUM OF ALL
INCOME, REDUCED BY:

1. TOTAL ADJUSTMENTS;
2. 60% OF NET LONG TERM CAPITAL GAINS.

TO CONTINUE, PRESS RETURN■

The adjusted gross income row of the matrix is calculated by the Tax Planner program and isn't entered or altered from the keyboard.

TAXABLE INCOME

TAXABLE INCOME IS ADJUSTED GROSS INCOME
REDUCED BY :

1. ITEMIZED DEDUCTIONS LESS THE ZERO
BRACKET AMOUNT;
2. \$1000 TIMES NUMBER OF EXEMPTIONS.

TAX TABLES AND SCHEDULES X, Y, AND Z NOW
INCLUDE THE ZERO BRACKET AMOUNT (STAN-
DARD DEDUCTION).

TO CONTINUE, PRESS RETURN■

The taxable income row of the tax matrix is calculated by the Tax Planner program and isn't entered or altered from the keyboard.

CARRYOVER SHORT-TERM

THERE IS A \$3000 (\$1500 MARRIED FILING SEPARATELY) MAXIMUM ALLOWABLE CAPITAL LOSS DEDUCTION.

CAPITAL LOSS CARRYOVER IS LOSS WHICH IS IN EXCESS OF THE MAXIMUM DEDUCTION.

THIS PROGRAM DEDUCTS ALL SHORT TERM CAPITAL LOSSES FIRST AND THEN DEDUCTS THE LONG TERM CAPITAL LOSSES.

CAPITAL LOSS CARRYOVER SHOULD BE ADDED TO CAPITAL GAIN OR LOSS FOR SUCCEEDING YEARS. THIS IS NOT DONE AUTOMATICALLY.

TO CONTINUE, PRESS RETURN

The short-term capital loss carryover row is calculated by the Tax Planner program and isn't entered or altered from the keyboard.

It is very important to realize that the Tax Planner makes no automatic assumptions with regard to your use of capital loss carryover. If substantial capital losses are involved, you will have to decide how to allocate the carryover, which appears in the CARRY ST- row, to future years. Then you can add the amounts you have decided on into the -ST G/L row for the succeeding years and re-compute the tax matrix to see the results of your allocation.

CARRYOVER LONG-TERM

THERE IS A \$3000 (\$1500 MARRIED FILING SEPARATELY) MAXIMUM ALLOWABLE CAPITAL LOSS DEDUCTION.

CAPITAL LOSS CARRYOVER IS LOSS WHICH IS IN EXCESS OF THE MAXIMUM DEDUCTION.

THIS PROGRAM DEDUCTS ALL SHORT TERM CAPITAL LOSSES FIRST AND THEN DEDUCTS THE LONG TERM CAPITAL LOSSES.

CAPITAL LOSS CARRYOVER SHOULD BE ADDED TO CAPITAL GAIN OR LOSS FOR SUCCEEDING YEARS. THIS IS NOT DONE AUTOMATICALLY.

TO CONTINUE, PRESS RETURN

The long-term capital loss carryover row is calculated by the Tax Planner program and isn't entered or altered from the keyboard.

It is very important to realize that the Tax Planner makes no automatic assumptions with regard to your use of capital loss carryover. If substantial capital losses are involved, you will have to decide how to allocate the carryover, which appears in the CARRY LT- row, to future years. Then you can add the amounts you have decided on into the -LT G/L row for the succeeding years and re-compute the tax matrix to see the results of your allocation.

TAX — REGULAR

REGULAR TAX IS COMPUTED USING TAXABLE
INCOME AND SCHEDULES X, Y, OR Z.

COMPUTED TAX VALUES MAY DIFFER SLIGHTLY
FROM THOSE FOUND IN TABLES A, B, C, AND D.
THIS DIFFERENCE WILL BE NO MORE THAN
ELEVEN DOLLARS.

TO CONTINUE, PRESS RETURN■

The regular tax is computed by Tax Planner program and isn't entered or altered from the keyboard.

TAX — INCOME AVERAGING

INCOME AVERAGING ALLOWS A PART OF AN
UNUSUALLY LARGE AMOUNT OF TAXABLE IN-
COME TO BE TAKEN IN LOWER BRACKETS AND
CAN RESULT IN A REDUCTION OF TOTAL TAX.

NOTE THAT BASE PERIOD INCOME FOR EACH
OF THE FOUR YEARS PRECEDING THE BASE-
YEAR IS TAKEN FROM SCHEDULE G.

TO CONTINUE, PRESS RETURN■

The tax resulting from the income averaging method is computed by the Tax Planner program and isn't entered or altered from the keyboard. The Tax Planner program automatically "rolls-over" the income averaging computations through all the years of a scenario.

The income-averaging computations are dependent upon the base period income for the four preceding years. Refer to Form 1040, Schedule G, for the computations used to determine base period income.

TAX — MAXIMUM

THE LAW PROVIDES FOR A 50% MAXIMUM TAX
ON PERSONAL SERVICE TAXABLE INCOME.

PERSONAL SERVICE INCOME SUBJECT TO THE
MAXIMUM RATE IS REDUCED BY THE SUM OF
THE TAX PREFERENCE ITEMS.

FOR A COMPLETE EXPLANATION REFER TO
FORM 4726.

TO CONTINUE, PRESS RETURN■

The maximum tax on personal service income is calculated by the Tax Planner program and isn't entered or altered from the keyboard.

TAX — PREFERENCE INCOME

ALL TAXPAYERS WHOSE TAX PREFERENCE ITEMS
EXCEED THE GREATER OF \$10,000 OR ONE-
HALF THEIR TAX LIABILITY ARE SUBJECT TO
A 15% ADD-ON MINIMUM TAX.

TO CONTINUE, PRESS RETURN■

The add-on minimum tax on items of preference income is calculated by the Tax Planner program and isn't entered or altered from the keyboard.

IRS publication "Your Federal Income Tax For Individuals" contains detailed information about the add-on minimum tax. IRS Form 4625 and instructions contains more details, including limitations where a preference item did not result in a tax benefit.

TAX — ALTERNATIVE MINIMUM

THE ALTERNATIVE MINIMUM TAX IS COMPUTED BY ADDING EXCESS ITEMIZED DEDUCTIONS, THE UNTAXED PORTION OF LONG TERM CAPITAL GAINS, AND TAXABLE INCOME. THIS SUM, REDUCED BY \$20,000, IS SUBJECT TO THE FOLLOWING TAX RATES:

10% ON THE FIRST \$40,000
20% ON THE NEXT \$40,000
25% ON THE EXCESS OVER \$80,000

THE ALT MIN TAX APPLIES WHENEVER THE TAX LIABILITY OTHERWISE COMPUTED WOULD BE LESS THAN ALT MIN TAX.

FOREIGN TAX CREDITS ARE THE ONLY TAX CREDITS WHICH REDUCE ALT MIN TAX. IF ALT MIN APPLIES AND YOU HAVE FOREIGN TAX CREDITS, SUBTRACT THEM MANUALLY.

TO CONTINUE, PRESS RETURN■

The alternative minimum tax is calculated by the Tax Planner program and isn't entered or altered from the keyboard.

IRS publication "Your Federal Income Tax For Individuals" contains detailed information about the alternative minimum tax. Also see IRS Form 6251, "Alternative Minimum Tax Computation."

TOTAL TAX

TOTAL TAX IS COMPUTED BY TAKING THE LOWEST OF REGULAR TAX, INCOME AVERAGING, OR MAXIMUM TAX (WHEN THEY APPLY), SUBTRACTING TAX CREDITS, AND THEN ADDING THE PREFERENCE TAX. EITHER THIS SUM OR THE ALTERNATIVE MINIMUM TAX, WHICHEVER IS LARGER, BECOMES TOTAL TAX.

TO CONTINUE, PRESS RETURN■

The total tax is calculated by the Tax Planner program and isn't entered or altered from the keyboard. The tax is computed by taking the lowest of regular tax, income averaging, or maximum tax, when they apply, subtracting tax credits, and then adding the preference tax. Either this sum or the alternative minimum tax, whichever is larger, becomes the TOTAL TAX.

TAX BRACKET

TAX BRACKET DISPLAYS THE HIGHEST RATE
AT WHICH ANY OF YOUR INCOME WAS TAXED.
FOR MAX TAX THIS RATE WOULD APPLY ONLY
TO INCOME OTHER THAN PERSONAL SERVICE
INCOME. ADDITIONAL PERSONAL SERVICE
INCOME WOULD BE TAXED AT A 50% RATE.

TO CONTINUE, PRESS RETURN■

The highest percentage at which any of your income was taxed is calculated by the Tax Planner program and isn't entered or altered from the keyboard.

The tax bracket information is useful in forming quick estimates of the tax effects of additional deductions or additional income. You can also calculate the marginal effect of alterations to a scenario by dividing the change in TOTAL TAX by the change you've made in a data item.

TAX METHOD

THIS IS THE METHOD USED TO DETERMINE
TOTAL TAX, UNLESS ALT MIN TAX APPLIES.
THIS METHOD IS THE MOST ADVANTAGEOUS OF
REGULAR TAX, INC AVER, AND MAX TAX.

TO CONTINUE, PRESS RETURN■

The tax method is selected by the Tax Planner and cannot be entered or altered from the keyboard. See the TOTAL TAX help statement for a description of the way the tax method is selected.

REFERENCE SUMMARY

This list contains a summary of the references mentioned in the text and on the help screens for each subject. IRS publications need not be your only source of information; you may also wish to consult your tax advisor.

<u>Subject</u>	<u>Reference</u>
FILE STATUS	Appendix B Instructions for IRS Form 1040 "Your Federal Income Tax"
EXEMPTIONS	Instructions for IRS Form 1040 "Your Federal Income Tax"
INCOME	
-PERSONAL SERVICE	Form 4726 - "Maximum Tax on Personal Service Income" IRS Publication 525 - "Taxable and Non- Taxable Income"
-SHORT TERM GAIN	Schedule D (Form 1040) Instructions for IRS Form 1040 "Your Federal Income Tax" Form 4797 - "Supplemental Schedule of Gains and Losses"
-LONG TERM GAIN	Schedule D (Form 1040) Instructions for IRS Form 1040 "Your Federal Income Tax" Form 4797 - "Supplemental Schedule of Gains and Losses"
-ALL OTHER	Schedules B, C, E, and F (Form 1040) Instructions for IRS Form 1040 "Your Federal Income Tax" Form 4831 - "Rental Income" Publication 550 - "Tax Exempt Interest"
ADJUSTMENTS	Instructions for IRS Form 1040 "Your Federal Income Tax" Form 3903 - "Moving Expense Adjustment" Form 2106 - "Employee Business Expenses"
DEDUCTIONS 1	Schedule A (Form 1040) Instructions for IRS Form 1040 "Your Federal Income Tax"

DEDUCTIONS 2

Instructions for IRS Form 1040
"Your Federal Income Tax"
Schedule A (Form 1040)
Publication 550 - "Investment Income and Expenses"
Publication 535 - "Business Expenses"
Publication 508 - "Educational Expenses"
Publication 587 - "Business Use of Your Home"
Publication 334 - "Tax Guide For Small Businesses"
Publication 502 - "Medical and Dental Expenses"

PREFERENCE ITEMS

Form 4625 - "Computation of Minimum Tax - Individuals"
Publication 525 - "Taxable and Non-Taxable Income"
Instructions for IRS Form 1040

TAX CREDITS

"Your Federal Income Tax"
Form 2441 - "Credit for Child and Dependent Care Expenses"
Form 3468 - "Computation of Investment Credit"
Form 4874 - "Credit for Work Incentive (WIN) Program Expenses"
Form 5884 - "Jobs Credit"
Form 5695 - "Energy Credits"
Form 1116 - "Computation of Foreign Tax Credit"
Form 4136 - "Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil"

TAX - REGULAR

Schedules X, Y, or Z

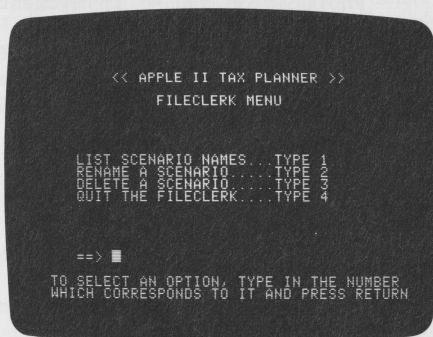
- INCOME AVERAGING Schedule G

- MAXIMUM Form 4726 - "Maximum Tax on Personal Service Income"

- PREFERENCE "Your Federal Income Tax"
Form 4625 - "Computation of Minimum Tax - Individuals"

- ALT. MINIMUM "Your Federal Income Tax"
Form 6251 - "Alternative Minimum Tax for Individuals"

FILE CLERK



The Fileclerk Menu allows you a choice of LIST SCENARIO NAMES, RENAME A SCENARIO, DELETE A SCENARIO, or QUIT THE FILECLERK. Enter the number desired and press RETURN.



You must never store more than 36 scenarios on your Tax Planner diskette. If you try to use the Fileclerk with more than 36 scenarios on the diskette, the system will display the message "Execution Error 101" and the Tax Planner diskette will become unuseable.

LIST SCENARIO NAMES

A list of the diskette file numbers and tax scenario names will be displayed. Press RETURN and the Fileclerk Menu will be displayed again.

RENAME A SCENARIO

The name of any scenario stored on the diskette may be changed to a new name by selecting the RENAME A SCENARIO option. The scenarios on the diskette will be listed in numerical order with each scenario name. A scenario name can be changed by typing in the scenario number followed by RETURN. (If you want to change your mind, type a 0 and you will return to the Fileclerk Menu.) The program will prompt with the existing name and allow you to enter the new name. Then the program will ask you if you are sure you want to rename the scenario and you must type a "Y" before the renaming will take place. If you type an "N" (no) the program will return to the Fileclerk Menu. When the scenario has been renamed, the program will return to the Fileclerk Menu.



If you try to rename a scenario to the name of another scenario that already exists on the diskette, the program will not ask if you are sure you want to rename the scenario. Instead, the disk drive will whir, and then the program will return to the Tax Planning menu. Even though it looks as if the scenario was renamed, it won't be in this case. If you LIST SCENARIO NAMES after trying to rename a scenario to an existing name, you can tell by the fact that the old name still appears in the list that the renaming was not carried out.

DELETE A SCENARIO

Any scenario stored on the diskette may be deleted by selecting the DELETE A SCENARIO option. The scenarios on the diskette will be listed in numerical order with each scenario name. A scenario can be deleted by typing the scenario number followed by RETURN. (If you want to change your mind, type a 0 and you will return to the Fileclerk Menu.) The program will ask you if you are sure you want to delete the scenario and you must type a "Y" before the deletion will take place. If you type an "N" (no) you will return to the Fileclerk Menu. When the scenario has been deleted, the program will return to the Fileclerk Menu.

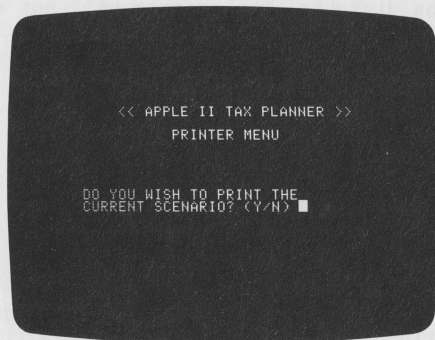


If the diskette is full and you can't write out a scenario, you'll need to use DELETE A SCENARIO to make room for the new one.

QUIT THE FILECLERK

You may quit the Fileclerk and return to the Main Menu by selecting the QUIT THE FILECLERK option. Pressing the ESC key will return you to the Main Menu.

PRINTER



You can print a copy of a computed tax matrix when you select PRINTER. The printer will only print the current scenario, therefore, it is necessary to have LOADED or CREATED a scenario in Tax Planning before the printer can print.

The printer option display consists of a single prompt

PRINT CURRENT SCENARIO? (Y/N).

Typing a Y will cause the printer to print out the current scenario and you will be returned to the Main Menu when printing is complete. If the printer is not connected or there is no current scenario loaded, an error message will be displayed and you will be returned to the Main Menu. Typing an N will return you to the Main Menu.



If you make changes to a scenario, and then forget to re-compute the tax by pressing the C key, you won't be able to print the scenario until it has been re-computed. This feature ensures that any printed scenario has been accurately computed.

QUIT

You can return to the welcome statement by selecting the QUIT option. The diskette is re-booted and Tax Planner is re-loaded into the computer. Pressing the ESC key will return you to the Main Menu.

APPENDIX A:

PUBLICATIONS YOU MAY NEED

Forms and Publications referenced in the Help Screens or in the text:

IRS Form 1040 Instructions

IRS Publication -- Your Federal Income Tax For Individuals

IRS Publication 334 -- Tax Guide For Small Business

IRS Publication 502 -- Medical and Dental Expenses

IRS Publication 508 -- Educational Expenses

IRS Publication 525 -- Taxable And Non-Taxable Income

IRS Publication 535 -- Business Expenses and Operating Losses

IRS Publication 550 -- Investment Income and Expenses

IRS Publication 587 -- Business Use of Your Home

You may need copies of IRS Form 1040 and the following Schedules:

A & B -- Itemized Interest AND Interest and Dividend Income

C -- Profit (or loss) From Business or Profession

D -- Capital Gains and Losses

E -- Supplemental Income

F -- Farm Income

G -- Income Averaging

R -- Credit for the Elderly

TC -- Tax Computation

You may need copies of the following IRS forms:

1116 -- Computation of Foreign Tax Credit

2106 -- Employee Business Expenses

2119 -- Sale or Exchange of Personal Residence

2441 -- Credit for Child and Dependent Care Expenses

3468 -- Computation of Investment Credit

3903 -- Moving Expense Adjustment

4136 -- Computation of Credit for Federal Tax on Gasoline,
Special Fuels, and Lubricating Oils

4625 -- Computation of Minimum Tax - Individuals

4684 -- Casualties and Thefts

4726 -- Maximum Tax for Individuals

4797 -- Supplemental Schedule of Gains and Losses

4874 -- Credit for Work Incentive (WIN) Program Expenses

5695 -- Energy Credits

5884 -- Jobs Credit

6251 -- Alternative Minimum Tax Computation

IRS forms are available free from your nearest IRS office. If there is no IRS office near you, call your district or state Internal Revenue Service Service Center and ask for ordering information.

APPENDIX B:

TAX COMPUTATION ALGORITHMS

I. Adjusted Gross Income -

Sum of all income reduced by:

1. adjustments
2. 60% of net long-term capital gains

II. Taxable Income -

Let

class 1 deductions = interest + contributions
+ miscellaneous deductions

class 2 deductions = medical-dental expenses
+ taxes + casualty or theft losses
+ other miscellaneous deductions

Deductions = class 1 deductions + class 2 deductions

Then

Taxable Income = Adjusted Gross Income
- (Deductions - zero bracket amount)
- (\$1000 * the number of deductions)

III. Regular Tax

- Taxable income is used to look up Tax in
schedules X, Y, or Z

IV. Income Averaging

Let

B = .3 * (sum of 4 previous years' taxable income)
A = Averagable income
= Taxable Income - B

Then

Income Averaging Tax = Tax on (A/5 + B)
+ 4 * [tax on (A/5 + B) - tax on B]

V. Maximum Tax

Let

$\text{Psi} = \text{Taxable Income}$
 $\times (\text{Net Personal Service Income} / \text{Adj Gross Income})$
 $- \text{Tax Preference Items}$
 $\text{Net Psi} = \text{Psi} - 50\% \text{ bracket cutoff value}$
 $\text{Nonpsi} = \text{Regular Tax} - \text{Tax on Psi}$

Then

$\text{Maximum Tax} =$
 $\text{Nonpsi} + .5 * \text{Net Psi} + \text{tax on } 50\% \text{ cutoff value}$

VI. Alternative Minimum Tax

Let

$\text{Excess Itemized Deductions} = \text{class 2 deductions}$
 $- .6 * (\text{Adj Gross Income} - \text{class 1 deductions})$
 $\text{Tax Base} = \text{Adj Gross Income}$
 $- (\text{deductions} + 1000 * \text{number of exemptions})$
 $+ \text{Excess Itemized Deductions}$
 $+ \text{Untaxed Portion of L.T. Cap. Gains}$
 $- \$20,000$

Then

If $0 < \text{Tax Base} < \$40,000$,
 $\text{Tax} = .1 * \text{Tax Base}$

If $\$40,000 \leq \text{Tax Base} < \$80,000$,
 $\text{Tax} = .2 * (\text{Tax Base} - \$40,000) + \$4,000$

If $\$80,000 \leq \text{Tax Base}$,
 $\text{Tax} = .25 * (\text{Tax Base} - \$80,000) + \$12,000$

(For married filing separately all dollar values are halved)

VII. Preference Tax

Let

$\text{Tax Subtotal} = \text{the lowest of}$
 Regular tax, Income averaging, and
 Maximum tax (when they apply)

Let

$A = \text{the larger of}$
 $.5 * \text{Tax Subtotal}$ and
 $\$10,000$ (\$5000 if filing separately)

Then

$\text{Tax} = .15 * (\text{Preference Items} - A)$

These equations will be valid for 1979-80 (tax due in 1980-81).

APPENDIX C:

SETTING UP THE APPLE II COMPUTER

This appendix includes a list of the equipment you'll need to use the Apple Tax Planner on your Apple II. You do not need to read all the manuals, but they should be on hand to answer questions that may arise in operating the equipment (e.g., how to boot a diskette).

EQUIPMENT

<u>Equipment description</u>	<u>Part Number</u>	<u>Comments</u>
Apple II or Apple II Plus	A2S0032 A2S1032	Minimum 48K of memory
Applesoft card, Integer BASIC card, or Language card	A2B0009	
TV or video monitor	A2M0005	Black and white
Disk drive and Controller Card with 16-sector PROMs	A2M0004	
Parallel Printer Interface Card	A2B0002	If a printer with parallel input is being used.
High-Speed Serial Interface card	A2B0005	If a printer with serial input is being used.
Optional Printers:		
Apple Silentype Qume Sprint 55 Integral Data Systems 440 Printronic	A2M0036	These printers are known to be compatible with the Tax Planner.

MANUALS

<u>Manuals</u>	<u>Part Number</u>	<u>Comments</u>
Apple Tax Planner	A2D0040	This manual
Apple II BASIC Programming Manual (Integer BASIC)	A2L0005	Setting up the Apple II
Applesoft Tutorial	A2L0018	
DOS Manual	A2L0012	How to boot the diskettes
Parallel Printer Interface Manual		Installing the parallel printer interface card
High-Speed Serial Interface Manual		Installing the serial printer interface card

PUTTING THE PIECES TOGETHER

Here are the steps to follow to put your system together:

1) To set up your Apple II, follow the instructions in the Apple II BASIC Programming Manual or the Applesoft Tutorial. You do not need to attach the game controllers or a cassette recorder, although there is no harm in doing so. Your Apple II must have at least 48K of memory for you to use the Apple Tax Planner.

2) To set up the disk drive with its interface card, follow the instructions in the DOS Manual. For DOS to operate properly, the disk drive interface card must be in slot #6. You'll also need the DOS Manual to find out how to "boot" DOS and how to care for diskettes. If the interface card does not have 16-sector PROMS (part #341-0027-xx and 341-0028-xx) for PROM 5A and PROM 6A, contact your Apple dealer to obtain those parts. The last two digits of the part number (shown as xx) will change from batch to batch.

3) To use a printer with the Tax Planner, you must have a printer interface card. If your printer has serial data input, you can use the Apple II High-Speed Serial Interface Card. If your printer has parallel data input, you can use the Apple II Parallel Printer Interface Card. Also, some printer manufacturers supply interface cards for using their printers with the Apple II. After reading the instructions that came with your interface card, connect the printer to the card and insert the card into slot #1 in the Apple II.

Your Apple II is now ready to run the Tax Planner.



Examples of printers that are compatible with the Tax Planner are listed above, under EQUIPMENT. You can use another printer if it doesn't have the automatic line-feed feature or if it allows this feature to be disabled. Also, your printer should eject to top of page on form feed so that you don't end up with perforations in the middle of your printout.



WARNING: Be sure to turn off the power to the Apple II and to any devices you are connecting to it before installing or removing any cards from the Apple II. Installing or removing a card with the power on is very likely to cause damage to the card and to the Apple II.

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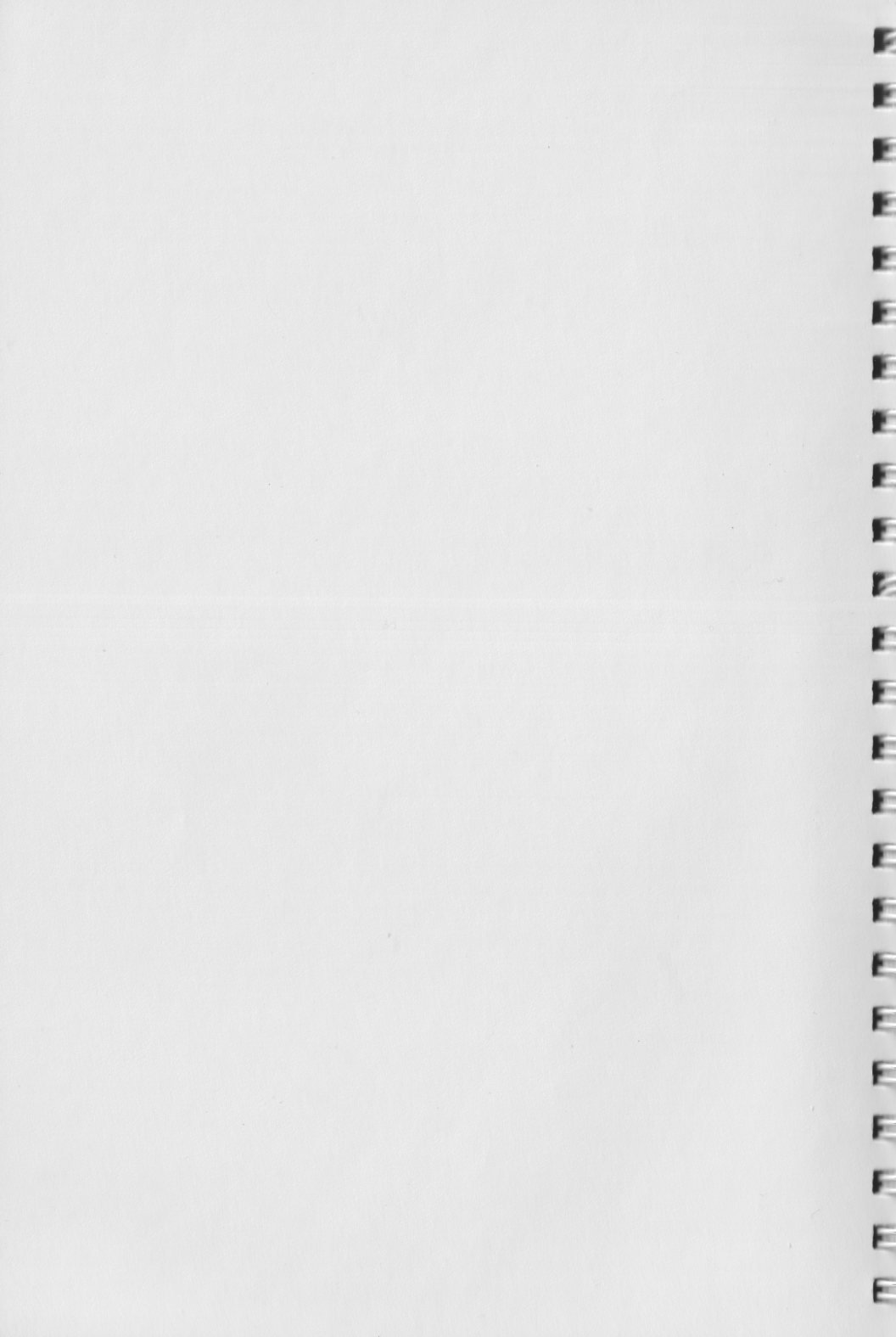
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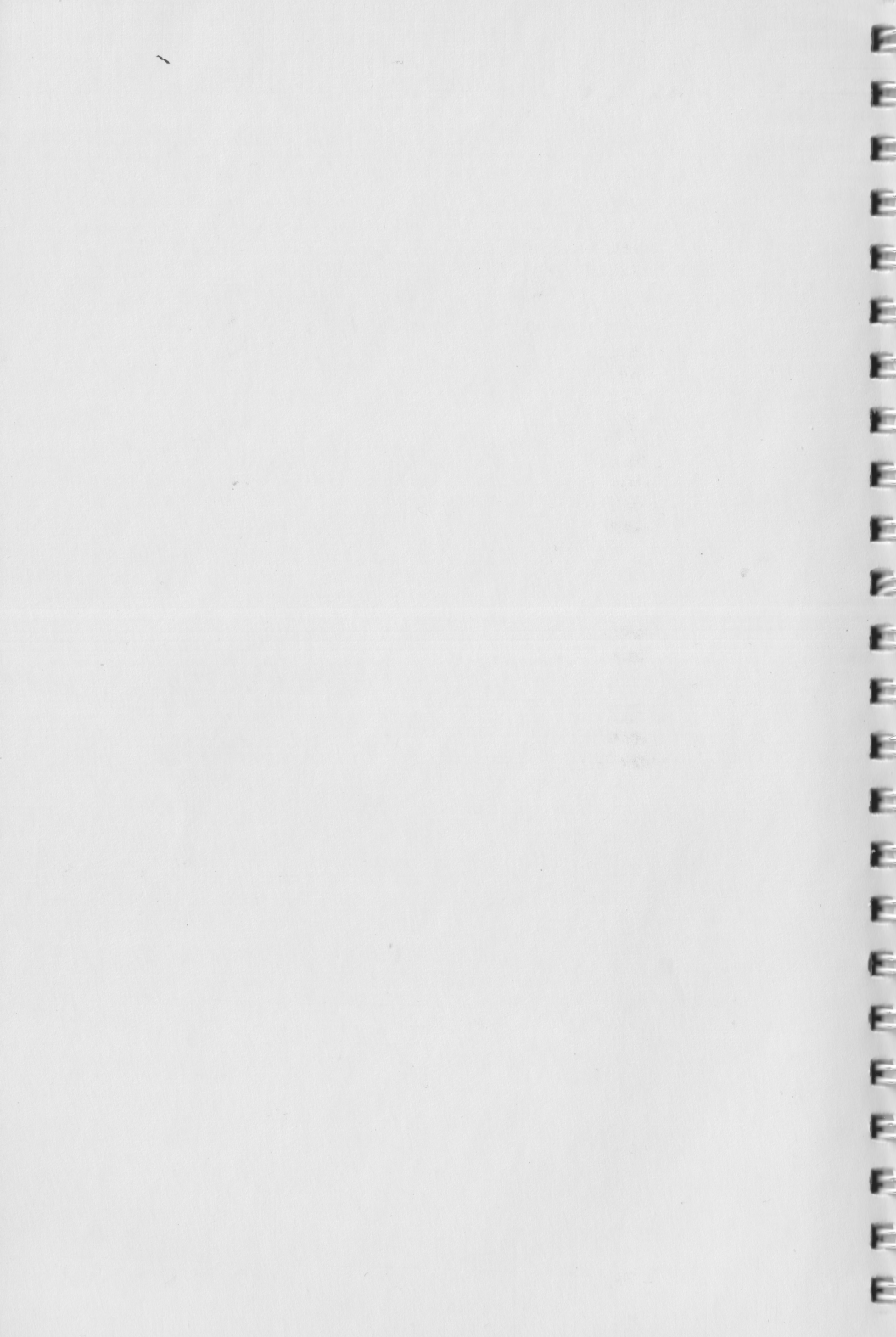
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10260 Bandley Drive
Cupertino, California 95014
(408) 996-1010